

**THE DEPUTY SECRETARY OF DEFENSE****WASHINGTON, D.C. 20301****10 December 1993**

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
ASSISTANT TO THE SECRETARY OF DEFENSE (LEGISLATIVE
AFFAIRS)
ASSISTANT TO THE SECRETARY OF DEFENSE (PUBLIC
AFFAIRS)
DIRECTOR FOR ADMINISTRATION AND MANAGEMENT

SUBJECT: Office of the Secretary of Defense (OSD) Manpower Reductions

The Bottom Up Review, which we completed this past year, identifies a strategy and force structure for the future. In addition, the National Performance Review, conducted by the White House, directs the heads of Federal departments to achieve leaner organizations through staff reductions and process reengineering. Consistent with these efforts, the Secretary of Defense and I have been considering specific ways to streamline and strengthen the organization and management of the Office of the Secretary of Defense (OSD). We have already made considerable progress, but much is left to be done to ensure that assigned responsibilities can be carried out in a period of dwindling resources. Accordingly, the following actions are directed:

- In lieu of the management headquarters reductions that are programmed for End FY 1994 and 1995, a ten percent across-the-board OSD manpower reduction will be accomplished by End FY 1996. At least three percent of this reduction should be implemented by End FY 1994, another three percent by End FY 1995, and another four percent by End FY 1996. The baseline for each year will be the authorized end strength for the previous year.
- The DA&M will advise addressees of their reduction targets for End FY 1994 and each year thereafter. Initial plans for the End FY 1994 reductions will be submitted to the DA&M by 15 February 1994.
- Throughout the reduction period, overstrength positions should be absorbed into permanently authorized strengths as quickly as possible. New overstrengths will be granted only in exceptional circumstances.

The DA&M will ensure that the above decisions are implemented. Any reclaims should be submitted to him by 15 December 1993 and he will make recommendations to me for approval or disapproval.

William L. Perry